

MINUTES

CLARENDON COUNTY COUNCIL REGULAR MEETING

January 11, 2010 6:00 P.M.

**F. E. DuBose Career Center Auditorium
Manning, SC**

The **Regular meeting** of the Clarendon County Council was held on Monday, **January 11, 2010**, at 6:00 PM in the **Auditorium of the F. E. DuBose Career Center, in the Alcolu area of Manning, S.C.**

In attendance were:

County Council Chairman Dwight L. Stewart, Jr.
County Council Vice-Chairman W. J. Frierson
County Councilman Billy Richardson
County Councilman Benton Blakely
County Councilman A. C. English, Jr.
County Administrator Bill Houser

Press in attendance: Cathy Gilbert of *The Manning Times* and Bobby Baker with *The Item*.

Others in attendance: Betty S. Pritchard, Clerk to Council; David W. Epperson, County Attorney; Linda P. Lemon, Human Resource Director; Lynden Anthony, Controller; Tammy Rodvansky, Budget Analyst; Mia Jackson, Senior Secretary, Administration; Fred and Sandi Tucker, Weldon Auditorium; Patrick Goodwin, Turbeville Administrator; Lori Salley, CPA, with McGregor and Company, L.L.P.; Louis and Dawn Griffith on behalf of the Chamber of Commerce; Bob Dennis, Director of the Clarendon County Water and Sewer Department; Hal Lowder, Chairman of the Aeronautics Commission; Marilyn Tsirigotis, County Library Director. No County Law Enforcement officers were present.

Chairman Stewart opened the meeting at 6:00 PM and welcomed all in attendance after which Councilman Richardson gave the Invocation followed by the Pledge of Allegiance recited in unison.

Following a review of the **Minutes of the Regular Council Meeting of December 14, 2009**, and upon motion of Vice-Chairman Frierson, seconded by Councilman Richardson, the **Minutes were approved as presented.**

Noting that this is the first meeting of the New Year and the first meeting of the decade, Chairman Stewart commented that the New Year brings with it many challenges

but as Henry J. Van Dyke stated in one of his hymns, hopefully we will be “*victors in the midst of strife*”. Chairman Stewart then apprised Council of some positive news on the horizon for Clarendon County. He reported that Georgia-Pacific has signed an agreement to purchase several of Grant Forest Products OSB facilities including Grant Clarendon. He stated that there are a number of issues to be worked out but that Georgia-Pacific anticipates the transaction to close during the first half of 2010 and they expect to employ as many as 100 people once the facility is in operation.

At 6:10 PM, Chairman Stewart opened the Public Hearing for discussion and public comments relative to Ordinance #2009-20 to Transfer Authority for Conducting Municipal Elections in the Town of Summerton to the Clarendon County Voter Registration and Election Commission. He introduced and welcomed Mayor Jay Bruner of Summerton. He then asked Attorney Epperson to provide details of the Ordinance. Attorney Epperson explained that the SC Code Ann. § 5-15-145 provides for such a transfer of authority. He explained that the Summerton officials met with the Voter Registration Director and the Elections Commission Chairman and obtained their agreement to handle the Summerton elections. Subsequently, the Town of Summerton adopted an Ordinance dated November 14, 2009, to “transfer all authority for conducting municipal elections within its jurisdiction to the Clarendon County Voter Registration and Election Commission.” Attorney Epperson reported that he prepared an Ordinance for County Council’s consideration as to acceptance of this transfer request. He explained that the terms and conditions are defined in the Ordinance as to the responsibilities of the Town of Summerton and as to those of the Clarendon County Voter Registration and Election Commission. He stated that the Town of Summerton shall be responsible for the costs of each election and shall be responsible to provide all information requested for use in the election process. Epperson explained that the Town of Summerton officials want a neutral third party to handle their municipal elections and certify totals in an effort to avoid any confusion or the possibility of contested elections. Chairman Stewart asked Mayor Bruner to add any information he desired. Mayor Bruner expressed his appreciation for the opportunity to appear before Council and provide answers to any questions Council might have regarding this request for transfer of authority. He commented that elections are a crucial part of efficient and effective government and that the Summerton Council wants to do everything possible to insure impartiality in the election process. They feel it will be better to have the County Election Commission handle the Summerton elections rather than placing this responsibility upon the local residents of Summerton. He stated they have encountered no problems thus far and do not anticipate any problems but feel this is a step in the right direction to avoid this risk. Chairman Stewart asked if there were any questions or comments relative to this Ordinance. Hearing none, he thanked Mayor Bruner for taking time to come to the meeting and assured him that the County looks forward to working with the Town of Summerton in handling their elections. He **closed the Public Hearing at 6:14 PM.**

Consideration was given to Second Reading of Ordinance #2009-20 to Transfer Authority for Conducting Municipal Elections in the Town of Summerton to the Clarendon County Voter Registration and Election Commission. Upon motion of Councilman Richardson, seconded by Councilman Blakely, **Council voted unanimously to grant Second Reading to Ordinance #2009-20.**

Chairman Stewart welcomed **Lori Salley, CPA, with the firm of McGregor and Company, L.L.P.,** and invited her to the podium to present the **Audited Financial Statements for Clarendon County as of June 30, 2009.** Ms. Salley referred Council to the green Audit Report, page 1, for the Auditor's Opinion. She explained that the Harvin Clarendon County Library is required to implement GASB 45 (actuarial of the retiree health plan) for the year ended June 30, 2009, because it is a component unit of Clarendon County and the County implemented GASB 45 for the year ended June 30, 2009. She reported that the Library, however, did not implement GASB 45 for the year ended June 30, 2009, and that due to this, the amount in which this would affect assets, net assets and expenses of the Library cannot be reasonably determined. Ms. Salley stated that because of this departure from the required implementation, the Auditors must give the County a qualified opinion for the June 30, 2009, audit. She stressed, however, that this does not directly reflect upon the County but the audit must be qualified as such since the Library is required to provide the actuarials to substantiate this liability. Referencing page 11, Ms. Salley noted that under the GASB 34 governmental accounting, the total net assets for the County is shown as \$ 25,995,394 which includes an unrestricted reserve of \$ 5,020,740. She reported that under Liabilities, the retiree health insurance amount is \$ 719,841 and that each year the current-year costs will be defined and will accumulate to reflect a liability to the County. She stated that this cost has to be reconfirmed every three years, and that with health care reform, it is not known what will happen to this during the three-year period. She stated that this liability will "eat" into the unrestricted reserve as it accumulates. She noted that the "Business-type Activities" reflected on page 11 represent the Water System. The Statement of Activities or Income Statement reflects a Change in Net Assets of \$ 893,212 with a decrease in assets of \$ 90,673 due to the water system for a net Change in Assets of \$ 802,539. The Balance Sheet of Governmental Funds reflects Total Fund Balances of \$ 10,642,881 of which the Unreserved General Fund Balance is \$ 2,409,828 which is a strong figure. Changes in Fund Balances of Governmental Funds reflects a Net Change in Fund Balances of \$ 1,110,296 of which \$ 1,515,000 represents bond proceeds. Ms. Salley commented that the Net Change in the General Fund Balance is \$ 198,326 (budgeted \$ 175,000) but that this is good considering all of the budget and economic cuts during this year. Ms. Salley referred Council to pages 17-19 which shows the Cash Flow Statement for the Water System and reflects an Operating Loss of \$ 90,721 through June 30, 2009, plus cash or cash equivalent of \$ 116,981 since it operates on cash basis accounting. Chairman Stewart asked if this included depreciation to which Ms. Salley reported that the depreciation expense is \$ 20,586 but reminded Council that this was not

for a full year – only six months. Referring to page 21, Ms. Salley explained the Schedule of Funding for the Retiree Health Plan as required by GASB 45. She explained that the initial Unfunded Actuarial Liability of \$ 9,405,998 is amortized over 30 years based on a percentage of the payroll with the general goal of accruing the cost of benefits over the working lifetime of the employees. She added that at the end of three years, with health care reform, this figure could be a lot smaller – there's no way to tell right now. Referring to page 76, Ms. Salley reported that with a Total Taxable Assessed Value of \$ 89,876,971, less the amount of Debt applicable to the Debt Limit, the County has a cushion of \$ 3,100,158 in its Legal Debt Margin. Administrator Houser questioned the fact that when the bond is changed from a GO bond to a Revenue Source Bond, this will increase the legal debt margin to approximately \$ 4.6 million which Ms. Salley confirmed. Ms. Salley then commented that in the performance of the audit for this year, certain significant deficiencies in internal control over financial reporting were noted. She then reviewed with Council the deficiencies reflected in the attached Schedule of Findings (2009-1) and stated they were considered material weaknesses requiring adjustments of \$ 90,000. She discussed with Council a separate management letter of recommendations relative to "other matters" that she felt needed to be addressed to insure efficient internal control. She discussed a situation at the Landfill in which the computer program was not being used properly and another in which the monthly summary sheets from the landfill are not being used to prepare the monthly bills. She has discussed these situations with the Finance Department and they are in the process of implementing the recommendations made by Ms. Salley. She also brought to Council's attention several instances in which the County Procurement Policy and Procedures are not being heeded:

1)) Two vehicles were purchased by the Sheriff's Department without initiation through the Procurement Department; therefore, bids were not obtained. 2) A mower was purchased by Public Works without the proper procurement process. 3) A Water and Sewer Service Contract for 2008-09 was not initiated through procurement and was without bids with no formal contract signed. (For 2009-10, these services were handled through procurement and bids were obtained.) Ms. Salley strongly recommended that all purchases of goods and services follow procurement guidelines and have proper documentation on file. She read to Council the section on disciplinary action for unauthorized commitments made by County personnel: *"Only the Procurement Department is authorized to commit the County for goods or services through a purchase order. Individuals making unauthorized commitments risk personal liability for any incurred expenses as well as disciplinary action up to termination."* She recommended that this disciplinary action be taken for all personnel making unauthorized commitments or purchases. She added that usually the Audit firm does not find exceptions in the Clarendon County audits but these were too noticeable to overlook. She stated that this letter of findings and recommendations is provided solely for the use of management within its organization and does not affect the Audit Report. She concluded her report with a statement of appreciation to the County Staff with whom she works and coordinates portions of the audit and stated that she received their full cooperation during

the audit process. Chairman Stewart thanked Ms. Salley for her thorough report and recommendations. He commented that there was an excellent editorial in the Sunday edition of the State newspaper relative to changes enacted by the State and passed down to the Counties as well as tax reforms anticipated throughout the State. He stated, "2010 will certainly be a challenging year for us." He also thanked Lynden Anthony, County Controller, and his finance staff for their assistance in finalizing this Audit Report.

Administrator Houser asked Council to **Consider his Request for Authorization to Investigate the Feasibility of Refinancing the Balance of the January 1, 2001, \$ 4.5 Million Bond Indebtedness.** He explained to Council that in January, 2001, County Council approved a \$ 4.5 million dollar bond which has a floating interest rate of 4.5% to 6.5%. Payments have been made on this bond since that time and there are six years remaining with a balance of approximately \$ 2.5 million. He explained since interest rates are lower now, there is a possibility of refinancing the balance at a lower interest rate. He reported that he has obtained some preliminary interest rates of 2.75% with a 1% redemption penalty. He estimated that with a 2.75% interest rate, the County could probably save \$ 125,000 to \$ 150,000 by refinancing the final \$ 2.5 million. Councilman English asked, "What was this bond used for?" Houser answered, "The Fire Station and the Sheriff's Department." Commenting that refinancing the balance makes good sense, Councilman English made a **motion to authorize Administrator Houser to Investigate the Possibility of Refinancing this Bond Balance.** The motion was seconded by Councilman Blakely and **unanimously approved.**

Administrator Houser submitted his Report, as follows:

1) **County Financial Report as of November 30, 2009,** reflects **Revenue of \$ 3,975,065** or **23%** of Budget and **Expenditures of \$ 7,121,514** or **42%** of Budget (39% without Grant Expenditures), or a **deficit of \$ 3,146,449** which is not unusual at this particular time of the year as revenue from real estate taxes have just begun arriving with the bulk of taxes collected generally between December 1st and January 15th.

County Financial Report as of December 31, 2009, reflects **Expenditures of \$ 8,375,895** or **49%** of Budget (46% without Grant expenses), or a **deficit of \$ 4,400,830.** Revenue figures for December 31st were not available from the Treasurer as of this report.

2) **Financial Reports for November 30, 2009,** were received from School Districts #1 and #3 and were contained in the Council packets. The November 30th Report from District #2 has been received since the packets were distributed.

3) **Report of the "C" Fund Program – "C" Fund Report as of November 30, 2009,** has been received from SC DOT as to their monthly accounting; and

the Consolidated "C" Fund Report reflects **Funds received in November of \$ 89,667**, in addition to the cash balance at October 31, 2009, of **\$ 1,055,559**, leaving a **Cash Balance at November 30th of \$ 1,145,226** with Local Paving Project expenditures of \$ 62,920, and State Construction expenditures of \$ 105,994, and Commitments of \$ 781,449 for Remaining Local Paving Projects of \$ 340,413; Remaining Construction by State of \$ 351,965; and State Construction Projects Reserve of \$ 89,071, leaving an **uncommitted balance of \$ 194,863**. The County Attorney is still working on obtaining right-of-way easements for Brogdon Road, from Tearcoat to Plowden Mill Road, along with the Rev. J. W. Carter Road for possible Spring paving.

4) **Clarendon County Water & Sewer Department** - Statement of Operations for the six-month period ending **December 31st** reveals **Total Operating Revenue of \$ 166,253** and **Operating Expenses of \$ 141,201** for an **Operating Revenue Gain of \$ 25,052**. With depreciation expenses of \$ 17,640, there is a **net Utility Income of \$ 7,412 for the six-month period**.

5) **Cardboard Recycling – 2009** - From January 1st to December 31st, 2009, a total of **273.11 tons (or 546,220 pounds) of cardboard was collected and recycled** with a two-man operation bringing in **revenue of \$ 14,233.45**. In addition to this revenue, had this 273 tons of cardboard not been recycled, it would have **cost the County \$ 9,942.20 to dispose of the cardboard at \$ 36.40 per ton**. The **savings on the disposal cost of \$ 9,942.20, added to the revenue collected of \$ 14,233.45, resulted in a total savings of \$ 24,174.65**.

6) **E-Waste Recycling** - Electronic Waste Recycling was offered on Saturday, January 9th, at Manning High School. Madaline Braxton and Bobbi Adams were on hand to accept the electronic equipment (computers, monitors, DVD players, radios, cameras, etc.). Eleven pallets (tonnage unknown at this time) were collected on Saturday morning and will be shipped to Raleigh, NC, where the equipment will be broken down and recycled. Plans are to try to have another collection day in the Spring. Chairman Stewart interjected that this collection was for individuals only, not commercial businesses, but that he has asked the Administrator to try to arrange a day for commercial electronic waste collections even if there is a charge as he is aware of several business entities, Dr. Wilder at School District #1 for one, who has accumulated a collection of electronic equipment and would like to recycle it. Cathy Gilbert of ***The Manning Times*** asked if it was illegal to put this equipment in the garbage. Administrator Houser answered, "Yes, it is illegal. I know some people disguise it and dump it with their trash but it is illegal and if DHEC is aware of this illegal dumping, they will fine the County and then we will have to pursue the owners of the equipment." Cathy Gilbert stated she was unaware this was illegal. Sandi Tucker recommended that the County should remind the residents of this as some may not know. Chairman Stewart thanked Cathy Gilbert for the excellent media coverage ***The Manning Times*** recently gave with front page coverage.

Chairman Stewart announced that his monthly written report was contained in the Council packets and offered to answer any questions Council members might have. He announced the **NAACP Dedication Ceremony for the unveiling of a plaque of the original Petition in the Briggs v. Elliott litigation, a component of the Brown v. Board of Education, on January 17th** at 3:30 PM in the Courthouse followed by a march to Trinity Church. Chairman Stewart also announced a **Joint Meeting of County Council, Manning town Council, Summerton Town Council and Turbeville Town Council scheduled for 5:30 PM on February 8th** just prior to the February County Council meeting for the purpose of receiving a **water project presentation from the Administrative Review Committee.**

Chairman Stewart announced the necessity for an **Executive Session** to receive information relative to a contractual matter. **At 7:00 PM,** upon motion of Vice-Chairman Frierson, seconded by Councilman English, **Council voted unanimously to enter into Executive Session. No action was taken in Executive Session.**

At the conclusion of Executive Session and upon motion of Vice-Chairman Frierson, seconded by Councilman English, **Chairman Stewart reconvened the Open Session at 7:45 PM.**

Chairman Stewart announced that a **legal briefing** and information was provided relative to a **proposed revision to the contract of Waste Management.** Upon motion of Councilman English, seconded by Councilman Blakely, **Council voted unanimously to allow the Administrator to negotiate an agreement with Waste Management as presented.**

There being no further business, Council **adjourned at 7:46 PM** upon motion of Vice-Chairman Frierson, seconded by Councilman Blakely.

Respectfully submitted,

Dwight L. Stewart, Jr., Chairman

Betty S. Pritchard, Clerk to Council

CERTIFICATION OF PUBLIC AND MEDIA NOTIFICATION

I, Betty S. Pritchard, Clerk to Council, Clarendon County Council, Manning, South Carolina, do hereby certify that public and media notification of the County Council Meeting of January 11, 2010, was given prior thereto by the following means:

PUBLIC NOTIFIED: ***Yes***

MANNER NOTIFIED: ***Agenda placed on the bulletin board in the Clarendon County Courthouse and F. E. DuBose Career Center***

DATE POSTED: ***January 8, 2010***

MEDIA NOTIFIED: ***Yes***

MANNER NOTIFIED: ***Agenda emailed to THE MANNING TIMES, THE ITEM, and THE FLORENCE MORNING NEWS***

DATE NOTIFIED: ***January 8, 2010***

***PUBLIC HEARING
ADVERTISED:*** ***Advertised in THE ITEM on December 27, 2009***

Respectfully submitted,

Betty S. Pritchard, Clerk to Council